Before the DOCKET FILE COPY ORIGINAL Washington, D.C. 20554

In the Matter of)	URIGINAL
The Establishment of Policies)	IB Docket No. 99-81 RM-9328 DA 00-222
and Service Rules for the Mobile)	RM-9328 REC
Satellite Service in the 2 GHz Band)	DA 00-222
To: The Commission		FEB 17 2000

SUPPLEMENTAL COMMENTS OF INMARSAT LTD.

Inmarsat Ltd. ("Inmarsat"), by counsel and pursuant to Section 1.415 of the Commission's Rules, hereby submits its supplemental comments in response to the Commission's February 7, 2000, Public Notice in the above-captioned matter. In the Notice, the Commission seeks comment on a hybrid processing alternative combining elements of the so-called traditional band plan and negotiated entry approaches previously articulated by the Commission in this proceeding. Under its new alternative, the Commission proposes to divide the 2 GHz MSS uplink and downlink bands into distinct segments of equal bandwidth. Operators would be allowed to select an uplink/downlink frequency pair as its "home" spectrum assignment on a first-come, first-served basis. Operators would be allowed to operate in the remainder of the 2 GHz band on a secondary basis, subject to moving such operations in the event that another operator claims such spectrum for its own "home" frequencies.

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¹ Public Notice, IB Docket No. 99-81, RM-9328, DA 00-222 (released February 7, 2000)("Notice"). ² See The Establishment of Polices and Service Rules for the Mobile Satellite Service in the 2 GHz Band, IB Docket No. 99-81, Notice of Proposed Rulemaking, 14 FCC Rcd 4843, 4857-64 (1999)("2 GHz MSS Notice").

Inmarsat generally supports the new FCC proposal as a step in the right direction towards ensuring that all applicants receive sufficient spectrum to begin operation of their systems and establish themselves in the market, while at the same time providing flexibility to adapt to future requirements. However, Inmarsat believes that certain aspects of the plan set forth in the Notice call for clarification or augmentation. To this end, Inmarsat offers the following comments and suggestions.

I. Assignment of "Home" Spectrum

The Commission proposes to "subdivide the 2 GHz uplink and downlink bands into *distinct* segments of equal bandwidth, with each segment representing an operator's 'home' spectrum assignment in the band." Unlike the flexible band approach championed by Inmarsat in the earlier comment round of this proceeding, this subdivision would not be based on system design, and therefore may not take advantage of the spectrum sharing potential inherent to some system designs. Inmarsat believes that from the point of view of spectrum efficiency, the Commission should at the least maintain the option for allowing one or more "home" assignments to overlap, should circumstances warrant it and the relevant operators agree to such overlap.

The Commission also proposes that each operator be permitted to select from then-available spectrum segments by submitting a request for its desired assignment once the first satellite in its system reaches its intended orbit. While Inmarsat supports the Commission's intent to provide a market incentive to MSS operators to expedite implementation of their services, Inmarsat believes that the identification of such

³ Notice at 2 (emphasis added).

⁴ See Reply Comments of Inmarsat Ltd., IB Docket No. 99-81, July 26, 1999 at 5. As noted therein, studies suggest that CDMA systems could share some spectrum without interfering with each other.

frequencies should take place earlier in the process of implementing a system in order to allow an operator sufficient time to finalize plans and procedures related to the in-orbit testing of the satellite and to complete end-to-end testing of the service. Inmarsat therefore would suggest that the request for desired assignment be submitted at least six months prior to the expected launch date of the satellite.

Finally, as noted in its earlier comments, Inmarsat believes that any home frequency selection and use must be subject to strict construction and launch milestones.⁶ As proposed previously, Inmarsat urges that in the event such spectrum is forfeited by an operator, the spectrum be returned to a common pool for redistribution based on demonstrable need.⁷

II. Assignment of Additional Spectrum

The Notice also proposes to authorize each satellite operator to provide service anywhere in the 2 GHz MSS spectrum, subject to inter-system coordination. Under this proposal, operators would be permitted to use spectrum outside of their "home" assignment only on a secondary basis with respect to other MSS operators, and an operator's total spectrum use would be limited to the same amount of spectrum that is authorized in the "home" segment. The Notice further proposes that, in the event a later entrant selects spectrum for its own "home" assignment that is being used on a secondary basis by an earlier entrant, the earlier entrant would be required to move to other available spectrum or else return to its own "home" assignment.

⁵ Notice at 2.

⁶ See Comments of Inmarsat Ltd., IB Docket No. 99-81, June 24, 1999 at 17.

⁷ Id. at 9.

As Inmarsat noted in its previous comments with respect to the Commission's proposed negotiated entry plan, it is conceivable that one or two early entrants could achieve tremendous strategic advantage by gaining spectrum for themselves and then thwarting, delaying or denying the entrance of additional competitors. Further, negotiation and coordination among the applicants could lead to hopeless deadlock and spectrum paralysis. These problems may be alleviated somewhat by limiting operations outside an operator's home spectrum to secondary status. However, Inmarsat believes that such an arrangement must be carefully worded and strictly maintained through appropriate licensing conditions and enforcement action in order to ensure that the timing of spectrum vacation and shift is not left to the interpretation of the incumbent.

With regard to the Commission's proposal that total frequency assignment be limited to the same amount of spectrum authorized in the home segment, Inmarsat believes that this limitation should be clearly understood by any early entrant system operator before it begins operations outside its home spectrum. However, as Inmarsat previously has stated in this proceeding, at this point no one knows what the future holds in terms of the composition of the MSS market and its spectrum needs. Therefore, the Commission should not artificially tie itself to a permanent frequency assignment limitation that may be rendered inefficient or unjust by future market developments. To this end, Inmarsat urges the Commission to institute a biennial review of its spectrum aggregation limits in order to reexamine the need for such limits.

⁸ Id. at 10

Conclusion

Inmarsat applauds the Commission's efforts to promote the expeditious and equitable development of the MSS industry. The proposals set forth in the Notice are a good step in the right direction. Inmarsat urges the Commission to adopt final 2 GHz MSS service rules that conform with the comments submitted herewith, as well as the comments previously submitted by Inmarsat in this proceeding.

Respectfully submitted,

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⁹ Inmarsat Reply Comments at 2.